

# NOTICES OF FINAL RULEMAKING

The Administrative Procedure Act requires the publication of the final rules of the state's agencies. Final rules are those which have appeared in the Register first as proposed rules and have been through the formal rulemaking process including approval by the Governor's Regulatory Review Council. The Secretary of State shall publish the notice along with the Preamble and the full text in the next available issue of the Register after the final rules have been submitted for filing and publication.

## NOTICE OF FINAL RULEMAKING

### TITLE 3. AGRICULTURE

#### CHAPTER 2. DEPARTMENT OF AGRICULTURE ANIMAL SERVICES DIVISION

##### PREAMBLE

- 1. Sections Affected**

R3-2-411 R3-2-613	<b><u>Rulemaking Action</u></b> Amend Amend
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- 2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing statutes: A.R.S. §§ 3-1203 and 3-1205
- 3. The effective date of the rules:**

December 7, 2000
- 4. A list of all previous notices appearing in the Register addressing the proposed rule:**

Notice of Rulemaking Docket Opening: 6 A.A.R. 2185, June 16, 2000  
Notice of Proposed Rulemaking: 6 A.A.R. 2820, August 4, 2000
- 5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name:	Ross Rodgers
Address:	Arizona Department of Agriculture 1688 West Adams, Room 235 Phoenix, Arizona 85007
Telephone:	(602) 542-0962
Fax:	(602) 542-5420
- 6. An explanation of the rule, including the agency's reasons for initiating the rule:**

This rulemaking updates Article 4, Animal Disease Prevention and Control. Also, the rulemaking amends Article 6, Health Requirements Governing Admission of Animals, to allow for Stage III hogs to enter the state for exhibition providing they are: (1) Barrows (neutered); (2) tested negative for pseudorabies within 15 days prior to entry; (3) go directly to the terminal exhibition; (4) leave the exhibition in a sealed truck, and go directly to a state or federal slaughter establishment; and (5) have an entry permit and health certificate on which is listed the premises identification and ear notches.
- 7. A reference to any study that the agency relied on in its evaluation of or justification for the rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material.**

None
- 8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable

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**9. The summary of the economic, small business, and consumer impact:**

***A. The Arizona Department of Agriculture.***

The proposed R3-2-613 will require the State Veterinarian, or an assistant, to be present during any show importing swine from pseudorabies Stage III states in order to ensure the swine are imported correctly and that all swine are shipped to slaughter at the conclusion of the show. The State Veterinarian already provides a presence at the Arizona National Stockshow and Rodeo during swine check-in. The new rule will require that the State Veterinarian, or his agent, to be present for an additional four to eight hours.

***B. Political Subdivision.***

Political subdivisions of this state are not directly affected by the implementation and enforcement of this rulemaking.

***C. Businesses Directly Affected By the Rulemaking***

The proposed R3-2-613 allows for the importation of swine directly to a show providing certain conditions are met before and after importation. This change could be considered to expand the potential number of exhibitors in pseudorabies Stage III states. In reality, it will allow the one show identified to use this importation to maintain the level of exhibitors. This is because last year, the Arizona National Stockshow and Rodeo was not subject to the restrictions placed on the importation of show swine in R3-2-613, which was promulgated late in 1999 and effective January 1, 2000.

The proposed R3-2-613 also provides for the importation of swine from auctions in pseudorabies Stage IV and Stage V states providing all swine at the sale originate from pseudorabies Stage IV and Stage V states. This will positively impact small sales in other states expanding the source of show swine for Arizona showmen.

***D. Private and public employment.***

Private and public employment are not directly affected by the implementation and enforcement of this rulemaking.

***E. Consumers and the Public.***

Consumers and the public are not directly affected by this rulemaking.

***F. State Revenues.***

This rulemaking will have no impact on state revenues.

**10. A description of the changes between the proposed rules, including supplemental notices, and final rules:**

Minor clarifying changes were made in response to comments from Council staff.

**11. A summary of the principal comments and the agency response to them:**

Mr. Grant Boice, Executive Director, Arizona National Livestock Show Inc., submitted comments that support the rulemaking.

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

None

**13. Incorporations by reference and their location in the rules:**

None

**14. Whether the rule was previously made as an emergency rule and, if so, whether the text was changed between making as an emergency and the making of these final rules:**

No

**15. The full text of the rules follows:**

**TITLE 3. AGRICULTURE**

**CHAPTER 2. DEPARTMENT OF AGRICULTURE - ANIMAL SERVICES DIVISION**

**ARTICLE 4. ANIMAL DISEASE PREVENTION AND CONTROL**

R3-2-411. Exhibition Swine

**ARTICLE 6. HEALTH REQUIREMENTS GOVERNING ADMISSION OF ANIMALS**

R3-2-613. Swine

**ARTICLE 4. ANIMAL DISEASE PREVENTION AND CONTROL**

**R3-2-411. Exhibition Swine**

- A.** In addition to meeting the requirements in Article 6, all imported swine not moved directly to an exhibition in Arizona shall be inspected by a Department livestock officer or inspector within 30 days after entry.
- B.** Exhibit officials shall deny entry to any swine not accompanied by the following documents:
1. Imported swine moved directly to an exhibition. An official health certificate ~~as~~ specified in R3-2-606 and an import permit ~~as~~ specified in R3-2-607;
  2. Imported swine not moved directly to the exhibition. A Department-issued certificate of inspection of exhibition swine containing the following:
    - a. The name, address, telephone number, and signature of the owner;
    - b. The name of the inspector and the date, time, and location of the inspection;
    - c. The individual identification of the swine, using an earnotch, that conforms to the universal swine-earnotch system, and the premises identification number using a tattoo or producer-furnished tamper-proof eartag that conforms to the USDA National Premises Identification System.
  3. Native Arizona swine. A Department-issued certificate of inspection of exhibition swine containing the following:
    - a. The name, address, telephone number, and signature of the owner;
    - b. The name of the inspector and the date, time, and location of the inspection;
    - c. The individual identification of the swine, using an earnotch that conforms to the universal swine-earnotch system, and the premises identification number using a tattoo or producer-furnished tamper-proof eartag that conforms to the USDA National Premises Identification System.
- C.** Department-issued certificate of inspection of exhibition swine. The owner shall provide the Department with:
1. Imported swine.
    - a. The certificate of veterinary inspection listing import permit and individual identification of the swine, using an earnotch that conforms to the universal swine-earnotch system, and the premises identification using a tattoo or a producer-furnished tamper-proof eartag that conforms to the USDA National Premises Identification System; and
    - b. If from a Stage IV state ~~or a qualified negative herd in California~~, documentation of a negative pseudorabies test conducted 15 to 30 days after entry.
  2. Native swine.
    - a. A bill of sale listing:
      - i. The name of the seller and buyer;
      - ii. The individual identification of the swine, using an earnotch that conforms to the universal swine-earnotch system, and the premises identification using a tattoo or a producer-furnished tamper-proof eartag that conforms to the USDA National Premises Identification System; and
      - iii. The date of the sale; or
    - b. Verification that the swine has been raised in Arizona and the individual identification of the swine, using an earnotch that conforms to the universal swine-earnotch system, and the premises identification using a tattoo or a producer-furnished tamper-proof eartag that conforms to the USDA National Premises Identification System.

**ARTICLE 6. HEALTH REQUIREMENTS GOVERNING ADMISSION OF ANIMALS**

**R3-2-613. Swine**

- A.** The owner of swine entering Arizona, or the owner's agent, shall comply with the requirements of Article 6 and the following conditions:
1. Pay the expenses incurred to quarantine, test, and retest the imported swine; and
  2. Obtain an official health certificate ~~as~~ specified in R3-2-606 and permit ~~as~~ specified in R3-2-607.
- B.** Brucellosis test requirements. Breeding swine imported into Arizona from other states shall:
1. Originate from a validated swine brucellosis-free herd or from a swine brucellosis-free state; or
  2. Test negative for brucellosis within 30 days before entry.
- C.** Pseudorabies test requirements. Swine imported into Arizona from other states shall:
1. Be shipped directly from:
    - a. The farm of origin in a state recognized by USDA-APHIS as a pseudorabies Stage IV or Stage V state, ~~or~~
    - ~~b. A pseudorabies-qualified negative herd in California, or~~
    - b. The farm of origin in a state recognized by USDA-APHIS as a pseudorabies Stage III state if the swine are:
      - i. Consigned directly to a terminal exhibition of only neutered swine,
      - ii. Tested negative within 15 days before entry, and
      - iii. Transported directly to a state or federally inspected slaughter facility immediately after the exhibition in a truck sealed by the State Veterinarian or agent;
    - c. A pseudorabies monitored feeder pig herd in a pseudorabies Stage II or Stage III state if the swine is consigned to a restricted swine feedlot; or

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- d. A sale in a state recognized by USDA-APHIS as a pseudorabies Stage IV or Stage V state if all swine entered in the sale are from a state recognized by USDA-APHIS as a pseudorabies Stage IV or Stage V state.
2. ~~If from a pseudorabies qualified negative herd in California, be tested negative for pseudorabies within 30 days before entry if moving directly to exhibition.~~
32. Except for feeder swine consigned to a restricted swine feedlot, swine moving directly to exhibition, and swine from a farm of origin in a state recognized by USDA-APHIS as a pseudorabies Stage V state, remain under import quarantine and isolation at the location specified on the import permit and health certificate, with the following restrictions, until tested negative for pseudorabies no sooner than 15 days or later than 30 days after entry:
- The isolation pen shall be at least 200 feet from straying pigs, other livestock, pets, or working dogs, and not be accessible to normal traffic flow;
  - Equipment, tools, and implements shall not be moved from an isolation ~~pens~~ pen and used at another pen;
  - Workers shall disinfect their shoes and clothing before working with other livestock or the main herd; and
  - The distance between an isolation pen barrier and another swine pen barrier shall be at least 200 feet and the isolation pen shall be ~~double fenced~~ double-fenced to prevent exposure to accidental strays.
  - Imported quarantined swine testing positive after entry shall be shipped directly to a state or federal slaughter establishment within 15 days after the positive identification and shall be accompanied by a USDA-VS Form 1-27. The remainder of exposed animals shall be quarantined until the herd is declared free of the disease, or all exposed animals are depopulated and the premises cleaned and disinfected.
- 4.3. ~~If exhibition swine move directly to exhibition from a qualified negative herd in California or from a herd in a Stage IV state, and remain in the state, they the swine shall be held under import quarantine at a location disclosed by the exhibitor, within 3 days of the end of the exhibition. The exhibitor shall disclose the location of the quarantine facility to the Department within 3 days of the end of the exhibition. The swine shall be quarantined according to the restrictions identified in subsections (C)(2)(a) through (C)(2)(e) until tested negative for pseudorabies no sooner than 15 days or later than 30 days after entry into the state, with the restrictions identified in subsections (C)(3)(a) through (C)(3)(f).~~

NOTICE OF FINAL RULEMAKING

TITLE 4. PROFESSIONS AND OCCUPATIONS

CHAPTER 1. BOARD OF ACCOUNTANCY

PREAMBLE

- |                             |                                 |
|-----------------------------|---------------------------------|
| <b>1. Sections Affected</b> | <b><u>Rulemaking Action</u></b> |
| R4-1-226                    | Amend                           |
| R4-1-345                    | Amend                           |
2. **The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**  
Authorizing statute: A.R.S. § 32-703  
Implementing statutes: A.R.S. §§ 32-729, 32-730, 32-731, and 32-732
3. **The effective date of the rule:**  
January 1, 2001
4. **A list of all previous notices appearing in the Register addressing the final rule:**  
Notice of Rulemaking Docket Opening: 5 A.A.R.3219, August 25, 2000  
Notice of Proposed Rulemaking: 5 A.A.R. 3155, August 25, 2000  
The record was closed October 16, 2000
5. **The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**
- |            |  |
|------------|--|
| Name:      | Ruth R. Lee, Executive Director  |
| Address:   | Accountancy Board<br>3877 North Seventh Street, #106<br>Phoenix, Arizona 85014 |
| Telephone: | (602) 255-3648, Ext. 18  |
| Fax:       | (602) 255-1283   |

**6. An explanation of the rule, including the agency's reasons for initiating the rule:**

Budget issues caused the Board to increase fees earlier than expected. The Board has only two sources of revenue:

- \* the fee charged for renewal registration for an individual certificate and for a firm registration;
- \* the fee charged for sitting for the examination.

Operating costs have exceeded revenues the last four years. Members of the Arizona Society of Certified Public Accountants have reviewed the Board's proposed 2002 & 2003 budget for operating costs and have concluded the budget is very lean. These are expenditures exclusive of "special investigations" which are considered as line item expenditures. JLBC analysts as well as the OSPB analysts have advised the Board that it must raise its fees. Both agencies are concerned that the Board maintain at least a 6 month reserve in its fund balance.

The certified public accountant population is decreasing in part due to the CPA population reaching retirement age in the state, and the number of applicants for the CPA examination is also decreasing. There are various reasons for the latter; however, it appears that many are attracted to the perceived greater financial rewards in the computer arena. The decrease in the CPA population has had and will continue to have a drastic effect on the Board's annual revenues.

A.R.S. § 32-730 (C) provides for a waiver of fees for persons 65 and older. Board staff has provided the Board and the legislature's appropriation committees with a report on the projected number of certified public accountants registered with the Board who will turn age 65 each year for the next ten years and the results show a significant budget effect

The Accountancy Board has two (2) major areas of expenditures:

\* Examination and Certification:

- 1) The AICPA has announced progressive increases in costs for grading exams; and
- 2) Costs for agency rent, postage, computer operations, etc. are increasing.

\* Discipline:

The Board created a task force to determine how to cut costs in this area. It was identified as the only category where the choice existed. As a result, the Board has placed what it hopes is a temporary stop to its proactive regulation. Since 1978 the Board has assigned its investigators to perform reviews of publicly filed financial statements filed with different state agencies. This is one way in which the Board can fulfill its mission of regulation of the profession.

The Arizona State Board of Accountancy reviewed its budget proposal for fiscal years 2002 and 2003 with officials of the Office of Strategic Planning and Budgeting (OSPB) and the Joint Legislative Budget Committee (JLBC). Each session spotlighted the Board's mission to regulate the profession and the inherent costs in that effort, especially when complaints are filed against the large accounting firms as is the case in Arizona. The budget calculations show that the Board funds will be depleted by the year 2002 at the current rate of spending, absent any fee increase and cost recovery related to major case investigations.

The heads of both OSPB and JLBC informed the President of the Board, William D. Baker, the Board Treasurer, Stanley M. Drozdowski, and Ruth R. Lee, Executive Director, as long ago as 1998 that the Board needs to significantly increase its fees. JLBC and OSPB were concerned that the fund balance would be reduced to a level that would prevent the Board from regulating the profession to protect the public. Neither OSPB nor JLBC would entertain any plan to contribute general fund monies to the "special investigations" conducted by the Board.

The Governor's Regulatory Review Committee and its staff acknowledged during its November 2, 1999 meeting that the Board would have to return for another fee increase within two years. That projection was made before the 44th legislature's vote to appropriate another \$265,000 for the Board to finance its major case investigations. The legislators indicated to the Board that their constituents were calling them in great numbers wanting to know what the Board was doing about some well-publicized financial failures.

**7. A reference to any study that the agency relied on in its evaluation of or justification for the rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material:**

The agency relied upon the following data, which is on file at the Board office located at 3877 North 7th Street, Phoenix, Arizona 85014:

- A. Budget for fiscal years 2002 and 2003 (There are two versions: one showing projections of expenditures and revenues without a fee increase and the final one showing a fee increase as designated by JLBC and OSPB.) The budget has line items related to major case investigations. The reader can see that the Board can save 20% of its budget or \$356,445 by dismissing one Assistant Attorney General and a legal secretary.
- B. A print-out of the number of registrants reaching the age of 65 for the next ten years.
- C. A report on the revenues and expenditures for the biannual Uniform AICPA CPA Examination for the past 3 years.

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**8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable

**9. The summary of the economic, small business, and consumer impact:**

The amended rules will impact the state's economy by allowing the Accountancy Board to fulfill its mission by responding to complaints filed by members of the public. Approval of the fee increases will enable the Board to investigate allegations against large firms (which are international entities) as well as smaller firms without having to seek general fund monies. The worst case scenario is for the Board to cease responding to complaints and to become only a licensing agency.

It will impact the small business CPA practitioner with higher fees amounting to \$50 a year; however, the certificate holders are likely to become more in demand as their numbers decrease due to a number of market place factors. The impact on the consumer of a \$50 a year increase in fees for the certified public accountants should be minimal, if indeed there is any impact. The fee for certification renewal is far less than the majority of fees paid for membership in professional organizations with membership restricted to specific professions (CPA being one category).

**10. A description of the changes between the proposed rules, including supplemental notices, and final rules:**

There are grammatical changes made at request of GRRC staff.

**11. A summary of the principal comments and the agency response to them:**

The Accountancy Board has approximately 8,600 certified public accountants registered and active in the state of Arizona. The Board received only nine (9) letters expressing concern about the proposed increase in fees for renewal registration. Each of these registrants was provided a copy of the Board Treasurer's open letter and a personalized cover letter addressing specific issues.

Four (4) of the letters wanted information regarding the actual need for the Increase in fees. These registrants were each provided with a copy of the Board Treasurer's letter explaining that the Board's expenditures had exceeded revenues for the last four years. The Board's renewal fees did not cover operating costs during that time-frame. The registrant's were referred to the Board's financial statement printed annually in its Roster. Operating costs such as rent, computer equipment and the hourly fees the Board pays for CPA investigative reviewers were given as examples of the fixed costs of operating the Board's office and carrying out its mission to regulate the profession.

Two (2) letters expressed dissatisfaction with the fee increase; however, each suggested that the Board consider a different fee structure for firms. The Board responded that the individual practitioners do not pay a "firm fee" and the number of large firms is not significant enough to compensate for a reduction in fees for 80 to 90 % of the firms which are smaller. It is more equitable to charge the same registration fee for all firms. One of those letters noted that another state has a much lower renewal fee. The Board has acknowledged that fact and research has provided an explanation: some Boards are financed by general fund money and Arizona is not; some states have many thousands more registrants to support the Board mission (California and Texas for example); and Arizona is one of a handful of states that have had to open investigations on matters involving complicated financial failures. Investigations are very costly.

One (1) letter only requested a "phase-in plan" so that those who have not yet paid the last fee increase can do so before being required to pay the full \$300. The response was to point out the converse of such a phase-in; those affected by the last pay increase could express dissatisfaction because they had paid for two (2) fee increases. In the end everyone will have had to pay the same for fee increases.

The remaining two letters expressed general dissatisfaction about the fee increase. Each implied that the fee increase would amount to a financial strain on the writer's budget. The Board's response highlighted the cost of doing business to allow the certified public accountants in Arizona to regulate the profession in Arizona. That has been a goal that has been synonymous with the title CPA.

Two (2) letters were general in nature and did not ask for information nor recommend any specific action.

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

Not applicable

**13. Incorporations by reference and their location in the rules:**

None

**14. Was this rule previously adopted as an emergency rule?**

No

**15. The full text of the rule follows:**

**TITLE 4. PROFESSIONS AND OCCUPATIONS**

**CHAPTER 1. BOARD OF ACCOUNTANCY**

ARTICLE 2. CPA EXAMINATION

R4-1-226. Applications; Examination

ARTICLE 3. CERTIFICATION AND REGISTRATION

R4-1-345. Registration; Fees; Certificate Renewal

ARTICLE 2. CPA EXAMINATION

**R4-1-226. Applications; Examination**

- A. A person desiring to take the examination for qualification as a certified public accountant shall apply on ~~a~~ an application form provided by the Board. The Board shall provide a different forms for an original initial examinations and a re-examinations. The applicant shall submit ~~with~~ the application form to the Board office with a Registrar registrar-certified, or the equivalent; university or college transcripts to confirm that the educational requirements ~~set forth~~ in A.R.S. § 32-721 ~~have been~~ is completed.
- B. Filing date: Examinations are held twice a year in months designated by the Board. ~~The~~ An applicant shall file the ~~applicable appropriate~~ application form, fees, and ~~photos~~ photograph no earlier than the 1st day of the 4th month and no later than the last day of the 3rd month preceding the examination for which the applicant applies. For purposes of this subsection, an applications ~~are is~~ considered filed on the date received by the Board office. An Applications application received after 5:00 p.m. on the last day for filing ~~are is~~ considered late except that, if the last day for filing falls on a Saturday, Sunday, or a legal holiday, the applications ~~are is~~ considered timely if received in the Board Office by 5:00 p.m. on the next business day. ~~Late applications are not accepted. The Board shall not accept a late application.~~
- C. Application fees: Each applicant shall pay ~~an~~ the examination fee ~~pursuant to~~ under A.R.S. § 32-729 in the following amount:
1. Initial applicants: For an initial examination ~~where~~ if the applicant has not previously filed an application in Arizona for the examination, ~~\$225~~ 300.
  2. ~~Retake~~ Re-take noncondition applicants: For an examination ~~where~~ if the ~~retake re-take~~ applicant has no condition under R4-1-230, \$225 300. (See also R4-1-230)
  3. ~~Retake~~ Re-take condition applicants: For an examination ~~where~~ if the ~~retake re-take~~ applicant has a condition from this state under R4-1-229, \$75 100 for each section of the examination ~~which has not been~~ that is not successfully completed. ~~(See also R4-1-229)~~
  4. Out-of-state candidates: All candidates applying through a state other than Arizona, but sitting for the examination in Arizona, shall pay the applicable fee ~~set forth~~ in subsections (C)(1), ~~(C)(2)~~, or ~~(C)(3)~~.
  5. Refunds:
    - a. The Board shall refund 1/2 of the examination fee if a written notice of withdrawal is received in the Board office no later than 5:00 p.m. on the last day for filing.
    - b. The Board may refund 1/2 of the examination fee to an applicant who makes a written request ~~in which and~~ shows good cause ~~is shown~~. Good cause includes permanent or partial disability, illness, ~~or other~~ a physical or mental condition, military service, or financial hardship ~~which that prevented~~ prevents the applicant from appearing for the examination.
    - c. Except as provided in subsection (C)(5)(b), the full fee is forfeited by an applicant who withdraws after the final date for filing an applications or who fails to appear for the examination.
- D. ~~Re-examination take requirements: Pursuant to~~ Under A.R.S. § 32-723, ~~the~~ an applicant shall apply for all sections of the examination ~~which have not been~~ that are not successfully completed.
- E. The Board shall accept or reject an applications ~~and~~ or fees as provided by law ~~but~~ and shall not hold an applications or fees for a future examinations.

ARTICLE 3. CERTIFICATION AND REGISTRATION

**R4-1-345. Registration; Fees; Certificate Renewal**

- A. Initial registration: A registration fee is due when a new certificate is issued or when a new firm is registered by the Board. The initial registration fee is prorated for registration periods of less than 2 years.

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- B.** Renewal registration: All registrants, individuals, and firms, shall register biennially by filing with the Board the appropriate completed registration form specified in R4-1-118 and pay the registration fee prescribed by this Section. A registrant shall file the appropriate form no later than 5:00 ~~P.M.~~ p.m. on the last business day of the month. A renewal Registrations registration ~~are~~ is deemed filed on the date received in the Board Office. It is the sole responsibility of the registrant to complete the renewal registration requirements at the following times:
1. Individual registrants: ~~All An~~ individual registrants shall register at the following times:
    - a. ~~A Registrants registrant~~ born in an even-numbered years shall register during the month of ~~their~~ birth in each even-numbered year.
    - b. ~~A Registrants registrant~~ born in an odd-numbered years shall register during the month of ~~their~~ birth in each odd-numbered year.
  2. Firms: ~~All A~~ firms shall register at the following times:
    - a. ~~A Firms firm which that~~ initially registered with the Board in an even-numbered years shall register during the month of ~~their the~~ initial registration in each even-numbered year.
    - b. ~~A Firms firm which that~~ initially registered with the Board in an odd-numbered years shall register during the month of ~~their the~~ initial registration in each odd-numbered year.
- C.** Registration fees for an individuals: The biennial registration fee for each certified public accountant and each public accountant is \$~~200~~ 300 per registration period. The registration fee shall be prorated by month for an initial registration periods of less than 2 years.
- D.** Registration fees for a firms: The biennial registration for each certified public accountant or public accountant firm is \$~~200~~ 300 per registration period.
- E.** Penalty and suspension for failure to register.
1. The penalty for failure to register and pay a registration fee as provided in this Section is suspension of the registrant's registration. The Board shall vacate a suspension under this Section when the registrant has paid:
    - a. ~~all All~~ past due registration fees;
    - b. ~~a A~~ \$25 late fee; and
    - c. \$25 for each full year the registrant ~~has~~ failed to register, total payment not to exceed \$~~350~~ 250.
  2. If a suspension under ~~this~~ subsection (E)(1) continues for more than 6 months, an individual shall return the registration certificate to the Board. If a suspension under this subsection continues for more than 12 months, an individual's certificate shall be deemed expired ~~pursuant to~~ under A.R.S. § 32-741(C).
- F.** ~~A Registrants registrant~~ who ~~have been~~ is granted inactive status shall not provide accounting services; for a fee, or other form of compensation, including ~~but not limited to:~~
1. ~~recording~~ Recording and summarizing financial transactions;
  2. ~~analyzing~~ Analyzing and verifying financial information;
  3. ~~reporting~~ Reporting financial results to an employer, client, or other party; and
  4. ~~rendering~~ Rendering tax and management advisory services, ~~to an employer, client, or other party during the period of time in which the registrant's CPA certificate is inactive.~~

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**TITLE 4. PROFESSIONS AND OCCUPATIONS**

**CHAPTER 19. BOARD OF NURSING**

**PREAMBLE**

- | <b><u>1. Sections Affected</u></b> | <b><u>Rulemaking Action</u></b> |
|------------------------------------|---------------------------------|
| R4-19-301                          | Amend                           |
| R4-19-302                          | Amend                           |
| R4-19-303                          | Amend                           |
| R4-19-304                          | Amend                           |
| R4-19-305                          | Amend                           |
| R4-19-306                          | Amend                           |
| R4-19-307                          | Amend                           |
| R4-19-308                          | Amend                           |
- 2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
- Authorizing statute: A.R.S. § 32-1606(A)(1)
- Implementing statutes: A.R.S. §§ 32-1606(A)(7) and 32-1606(B)(13)



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**3. The effective date of the rules:**

December 7, 2000

**4. A list of all previous notices appearing in the Register addressing the final rule:**

Notice of Rulemaking Docket Opening: 6 A.A.R. 2732, July 21, 2000

Notice of Proposed Rulemaking: 6 A.A.R. 2710, July 21, 2000

**5. Name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Joey Ridenour  
Executive Director

Address: Arizona State Board of Nursing  
1651 East Morten, Suite 210  
Phoenix, Arizona 85020

Telephone: (602) 331-8111, Ext. 125

Fax: (602) 906-9365

**6. An explanation of the rule, including the agency's reasons for initiating the rule:**

In this proposed rulemaking, the Board seeks to address the recommendations of its last five-year rules review and update its rules on licensure by examination, licensure by endorsement, and license renewal to be consistent with legislative amendments over the last 2 years and recent changes in its applications. The Board is also amending R4-19-303 to remove the requirement of negative state criminal history before issuance of a temporary license to applicants for licensure by endorsement. The Board is also amending R4-19-308 regarding school nurse certification to allow applicants for initial or renewal of certification the option of meeting the second level educational requirements with a Bachelor of Science degree in nursing. Finally, this rulemaking also includes minor amendments to R4-19-305 (inactive license), R4-19-306 (duplicate license), and R4-19-307 (change of address).

**7. A reference to any study that the agency relied on in its evaluation of or justification for the rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material:**

Not applicable

**8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable

**9. The summary of the economic, small business, and consumer impact:**

The proposed amendments to R4-19-301, 302, 304, 305, 306 and 307 are not expected to have any economic impact on the Board of Nursing, members of the regulated community or the public. The proposed amendments to R4-19-303 regarding temporary license are expected to have a positive economic impact on applicants for licensure by endorsement and their potential employers because these applicants will receive temporary licenses 2 to 4 weeks earlier than they do currently, and will be able to enter the work force that much earlier.

The Board also anticipates that the amendments to R4-19-308 regarding the educational requirements for school nurse certification will have a positive economic impact on applicants who may have been experiencing difficulty meeting the second level educational requirements. By recognizing a Bachelor of Science degree in nursing as an alternative to the educational courses in the second level requirements, more applicants for initial certification or renewal of certification will be qualified for certification or renewal of certification.

**10. A description of the changes between proposed rules, including supplemental notices, and final rules (if applicable):**

- |                      |  |
|----------------------|--|
| R4-19-301(A)(1)(h):  | Delete "phone" insert "telephone."   |
| R4-19-301(A)(1)(k):  | Delete "Applicant's" insert "applicant's."                                     |
| R4-19-301(B)(4)(b):  | After "prior" insert "to."   |
| R4-19-304(A)((1)(d): | After "information" insert comma.  |
| R4-19-304(A)(1)(e):  | Delete "Applicant's" insert "applicant's."                                     |
| R4-19-304(D):        | Delete the comma after "following."  |
| R4-19-304(D)(2):     | After "program" delete "which" insert "that."                                  |
| R4-19-308(B)(2)(f):  | After "telephone number" delete "type of"; after "position" delete "and."      |
| R4-19-308(B)(2)(h):  | Delete "Applicant's" insert "applicant's"; delete the comma after "including." |

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- R4-19-308(B)(2)(h)(ii): After “felony” insert “conviction”; after “or” insert “conviction of an”; after “offense” delete “convictions.”
- R4-19-308(B)(2)(i): Delete “Applicant’s” insert “applicant’s.”
- R4-19-308(B)(3): Delete “Applicable” insert “Pay the applicable.”
- R4-19-308(D)(2)(b)(iii): Insert a comma after “R4-19-101(23).”
- R4-19-308(D)(3): After “following” insert “educational requirements.”
- R4-19-308(D)(3)(a): After “credit” insert “in nursing or health related subjects.”
- R4-19-308(D)(4)(a): After “educational requirements in” delete “(D)(1) and.”

Various technical and grammatical changes were made at the suggestion of G.R.R.C. staff.

**11. A summary of the principal comments and the agency response to them:**

On August 25, 2000, a public hearing was held regarding the Notice of Proposed Rulemaking for Article 3. No members of the public or regulated community attended or offered comment. The rulemaking record was open from July 21, 2000 until August 25, 2000, and no public comments were received.

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

Not applicable

**13. Incorporation by reference and their location in the rules:**

Not applicable

**14. Was this rule previously adopted as an emergency rule?**

No

**15. The full text of the rules follows:**

**TITLE 4. PROFESSIONS AND OCCUPATIONS**

**CHAPTER 19. BOARD OF NURSING**

**ARTICLE 3. LICENSURE**

- R4-19-301. Licensure by Examination
- R4-19-302. Licensure by Endorsement
- R4-19-303. Temporary License
- R4-19-304. ~~Biennial~~ License Renewal
- R4-19-305. Inactive or ~~Expired~~ License
- R4-19-306. Application for a Duplicate License
- R4-19-307. Change of Name or Address
- R4-19-308. School Nurse Certification Requirements

**ARTICLE 3. LICENSURE**

**R4-19-301. Licensure by Examination**

- A.** An applicant for licensure by examination shall: ~~submit all of the following information to the Board not later than 60 days prior to the date the applicant wishes to take the examination.~~
1. Submit to the Board a verified A-completed application on a form furnished by the Board that which provides the following information about the applicant:
- a. ~~A passport photograph not over 2 years old;~~
  - b.a. The applicant’s full Full name and any former names used by the applicant;
  - e.b. The applicant’s Mailing current address and telephone number;
  - d.c. The applicant’s place Place and date of birth;
  - e. ~~The applicant’s sex and ethnic category;~~
  - d. Ethnic category and marital status, at the applicant’s discretion;
  - f.e. The applicant’s social Social security number, at the applicant’s discretion;
  - f. Name and location of high school attended by the applicant, including years attended and graduation date, if applicable; or information regarding a passing score on an equivalency examination.
    - i. 4 years of high school or its equivalent is required for professional nurse applicants and practical nurse applicants not licensed in another state or territory of the United States.
    - ii. 2 years of high school or its equivalent is required for practical nurse applicants licensed in another state or territory of the United States.

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- ~~g. The applicant's education, including the names of the schools, graduation dates, and degrees received;~~
- ~~g. Post-secondary education, including the names and locations of schools attended, graduation dates and degrees received, if applicable;~~
- ~~h. Current employer, including address, telephone number, position, and dates of employment, if employed in health care, and previous employer in health care, if any, if current employment is less than 12 months;~~
- ~~h.i. Any If otherwise licensed as a registered or practical nurse, the state, territory or country in which the where the applicant holds a professional or practical nursing license and the license number and status of the license, including original state of licensure, if applicable is licensed;~~
- ~~i. Whether the applicant has taken the SBTPE, NCLEX-RN, or NCLEX-PN in the United States, including dates and examination results;~~
- ~~j. The date Whether the applicant has previously filed a nursing an application for licensure in Arizona, if applicable;~~
- ~~k. A listing of all states and countries in which the applicant is or has been licensed as a nurse and the license numbers;~~
- ~~k. Responses to questions regarding the applicant's background on the following subjects: Whether any disciplinary action, consent order, or settlement agreement is pending or has been imposed by any professional licensing agency, and an explanation of the circumstances and a completed questionnaire provided by the Board which requests the facts surrounding the matter if such occurred;~~
  - ~~i. Pending disciplinary action or investigation in another state.~~
  - ~~ii. Felony conviction or conviction of an undesignated offense.~~
  - ~~iii. Any act of unprofessional conduct as defined in A. R. S. § 32-1601.~~
- ~~l. Detailed explanation and supporting documentation for each affirmative answer to questions regarding the applicant's background.~~
- ~~m. Whether the applicant has ever been arrested, pled guilty to or been convicted of a felony, misdemeanor, or undesignated offense, and an explanation and a completed questionnaire provided by the Board which requests the facts surrounding the matter if such has occurred;~~
- ~~n. Whether the applicant has ever been arrested for a traffic-related violation resulting in a fine of \$150.00 or greater, and an explanation and a completed questionnaire provided by the Board which requests the facts surrounding the matter if such has occurred;~~
- ~~o. Whether the applicant has ever been named in a civil/malpractice case relating to employment as a nurse, and an explanation and a completed questionnaire provided by the Board which requests the facts surrounding the matter if such has occurred;~~
- ~~p. The applicant's current employer, including address, type of position, and dates of employment;~~
- ~~q. A sworn statement under oath by the applicant verifying the truthfulness of the information provided by the applicant;~~
- ~~2. A copy of the application for licensure by examination sent to the National Council of State Boards of Nursing; and,~~
- ~~2. Submit a completed fingerprint card if the applicant has not submitted a fingerprint card to the Board within the last 2 years; and~~
- ~~3. Pay the applicable The statutorily required fees.~~
- B. In addition to the application, the following are required: An applicant shall submit to the Board, within 10 working days prior to the date of examination, a certificate signed by the Administrator showing that the applicant has successfully completed a nursing program.**
  - 1. If the applicant took the SBTPE, NCLEX-RN, or NCLEX-PN in any state or territory of the United States or in Canada:**
    - a. The date of the examination.**
    - b. The location of the examination, and**
    - c. The result of the examination.**
  - 2. For graduates of nursing programs in the United States, 1 of the following:**
    - a. Certificate of completion signed by the administrator of an Arizona-approved professional nursing program for a professional nurse applicant or Arizona-approved practical nursing program for a practical nurse applicant; or**
    - b. Transcripts or other documentation verifying completion of a nursing program from 1 of the following:**
      - i. Diploma nursing program, associate degree nursing program, or baccalaureate nursing program for a professional nurse applicant.**
      - ii. Practical nursing program, associate degree nursing program, or baccalaureate nursing program for a practical nurse applicant.**
  - 3. For graduates of foreign nursing programs, proof of 1 of the following:**
    - a. Passing score on the Canadian Nurses' Association Testing Service in English and:**
      - i. Copy of a license from a foreign country in good standing, or**
      - ii. Transcript verifying completion of a foreign nursing program.**

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- b. Certificate issued by the Commission on Graduates of Foreign Nursing Schools.
- 4. For a professional nurse applicant, 1 of the following:
  - a. A passing score on the NCLEX-RN;
  - b. A score of 1600 on the NCLEX-RN, if the examination was taken before July 1988; or
  - c. A score of not less than 350 on each part of the SBTPE for professional nurses.
- 5. For a practical nurse applicant, 1 of the following:
  - a. A passing score on the NCLEX-PN;
  - b. A score of not less than 350 on the NCLEX-PN, if the examination was taken before October 1988; or
  - c. A score of not less than 350 on the SBTPE for practical nurses.
- 6. State and federal criminal history results, if applicable.
- ~~C.~~ An applicant who holds a Diploma or Associate degree in Nursing or a Baccalaureate degree in Nursing shall be eligible to take the licensure examination for professional nursing.
- ~~D.~~ An applicant who holds a Certificate or a Diploma in Practical Nursing from an approved nursing program shall be eligible to take the licensure examination for practical nursing.
- ~~E.~~ An applicant, who is a graduate of a foreign nursing program, shall be eligible to take the licensure examination upon submitting proof that the applicant is licensed or registered and in good standing in another country, or the applicant provides official document which evidences successful completion of a foreign program of nursing. A certificate issued by the Commission on Graduates of Foreign Nursing Schools may be submitted as evidence of the educational qualifications required in subsection (B).
- ~~F.~~ To be eligible for licensure, an applicant for professional nurse licensure shall obtain 1 of the following:
  - 1. A passing score on the NCLEX-RN;
  - 2. A score of 1600 on the NCLEX-RN, if the examination was taken prior to July 1988; or
  - 3. A score of not less than 350 on each part of the SBTPE for professional nurses.
- ~~G.~~ To be eligible for licensure, an applicant for practical nurse licensure shall obtain 1 of the following:
  - 1. A passing score on the NCLEX-PN;
  - 2. A score of not less than 350 on the NCLEX-PN, if the examination was taken prior to October 1988, or
  - 3. A score of not less than 350 on the SBTPE for practical nurses.
- ~~H.~~ An applicant who fails the initial examination shall be allowed to retake the examination 3 additional times within a 1-year period from the date of the initial examination.
- ~~I.~~ An applicant who fails the examination 4 times or who does not pass the examination within the time period specified in subsection (H) shall complete a reentry update program designed by an approved nursing program before being permitted to retake the examination. Upon completion of the program, the applicant shall request that the administrator of the nursing program submit documentation of satisfactory completion of the program by the applicant to the Board not later than 1 month prior to the date of reexamination for which the applicant has applied.
- ~~J.~~ C. The Board shall grant licensure to practice as a professional or practical nurse to any applicant who meets the criteria established in statute and this Section. An applicant who is denied licensure may request a hearing by filing a written request with the Board within 30 days of service of the Board's order denying the application for licensure. may deny licensure of an applicant if the Board determines that it has reasonable cause to believe that cheating, fraud, deception, or improper conduct occurred on the part of the applicant during examination or in connection with the application. The applicant shall be notified, in writing, of the intended action of the Board and shall have 10 days from the date of receipt of this notice to file a request for hearing with the Board. Hearings shall be conducted in accordance with A.R.S. Title 32, Article 3, and A.R.S. Title 41, Chapter 6, Article 6 10.

**R4-19-302. Licensure by Endorsement**

- ~~A.~~ An applicant for licensure by endorsement shall submit all of the information required to be submitted in R4-19-301(A).
- ~~B.~~ To be eligible for licensure by endorsement, an applicant for professional nurse licensure by endorsement shall be qualified pursuant to A.R.S. § 32-1632 and shall have a passing examination score in accordance with R4-19-301(F).
- ~~C.~~ To be eligible for licensure by endorsement, an applicant for practical nurse licensure by endorsement shall be qualified pursuant to A.R.S. § 32-1637 and shall have a passing examination score in accordance with R4-19-301(G).
- ~~D.~~ An applicant shall request that the state issuing original licensure submit to the Board, on a form provided by the Board, verified evidence of the applicant's graduation from a program of nursing which is approved by the state where the program is administered, SBTPE or NCLEX results, and current licensure status. The applicant shall pay all required fees for official endorsement. No licensure by endorsement shall be issued in the absence of receipt of this documentation.
- ~~E.~~ An application for licensure by endorsement shall be completed within 6 months or it shall lapse. Upon lapsing, a new application shall be required.
- ~~B.~~ In addition to the information required in subsection (A), the following are required:
  - 1. A passing examination score in accordance with:
    - a. R4-19-301(B)(4) for professional nurse applicants, or
    - b. R4-19-301(B)(5) for practical nurse applicants.
  - 2. Verification of the following:

- a. Previous or current license in another state or territory of the United States or a foreign country, and
- b. One of the following:
  - i. Completion of a nursing program that has been assigned a program code by the National Council of State Boards of Nursing at the time of program completion.
  - ii. Completion of a nursing program that met the qualifications for a program code at the time of the applicant's graduation if before 1986, or
  - iii. General report from the Commission on Graduates of Foreign Nursing Schools indicating that a foreign nursing program is substantially equivalent to an approved professional or practical nursing program in the United States.

3. State and federal criminal history results, if applicable.

~~F.C.~~ The Board shall grant licensure to practice as a professional or practical nurse to any applicant who meets the criteria established in statute and this Section. An applicant who is denied licensure by endorsement may request a hearing by filing a written request with the Board within 30 days of service of the Board's order denying the application for licensure, to appeal the decision by filing the request, in writing, with the Board, not later than 10 days after receipt of the notice denying the license. Hearings shall be conducted in accordance with A.R.S. Title 32, Article 3, and A.R.S. Title 41, Chapter 6, Article 10.

#### **R4-19-303. Temporary License**

- A. ~~Subject to subsection (B), the Board shall issue a temporary license to an applicant desiring to practice nursing pending licensure if the applicant; lacks a state criminal history as verified by a report issued by the Arizona Department of Public Safety and the applicant:~~
1. ~~Is qualified under:~~
    - a. A.R.S. § 32-1635 if applying for a temporary professional nursing license, or and § 32-1640 if applying for a temporary practical nursing license; and
    - b. R4-19-301 for applicants for licensure by examination, or and R4-19-302 for applicants for licensure by endorsement; and
  2. Lacks a state criminal history as verified by a report issued by the Department of Public Safety, if seeking licensure by examination.
  - ~~2.3. If seeking licensure by endorsement, has filed Files an application for licensure by endorsement and submitted submits documents or an official statement from another state board of nursing verifying that the applicant has a current license in good standing in another state or territory of the United States; or~~
  - ~~3.4. If seeking renewal of a license that has been inactive or expired for 5 or more years, has filed Files an application and enrolled enrolls in a reentry update refresher program, if seeking renewal of a license that has been inactive or expired 5 or more years.~~
  5. Pays the applicable fees.
- ~~B. An applicant who discloses a pending disciplinary charge, criminal conviction, chemical dependency, pending investigation or disciplinary action by a regulatory agency, or malpractice claim is not eligible for a temporary license without prior Board approval.~~
- ~~B. An applicant who has a criminal history, history of disciplinary action by a regulatory agency, or a pending complaint before the Board is not eligible for a temporary license or extension of a temporary license without prior Board approval.~~
- C. ~~Unless extended for good cause under subsection (D), a A temporary license is valid for a maximum of 6 12 months unless extended for good cause under subsection (D).~~
- D. An applicant holding a A temporary licensee license may apply for and the Board or the Executive Director shall grant an extension for good cause. Good cause means reasons beyond the control of the temporary licensee such as unanticipated unavoidable delays in obtaining information required for licensure.

#### **R4-19-304. Biennial License Renewal**

- A. ~~An applicant for renewal of a professional or practical nursing license shall: A licensee shall submit an application for license renewal on a form provided by the Board in accordance with A.R.S. § 32-1642, together with all statutorily mandated fees, on or before the licensee's date of birth. The applicant shall provide the following information, signed and under oath, on the application:~~
1. Submit to the Board an application furnished by the Board that provides the following information about the applicant:
    - ~~1-a.~~ The applicant's full Full name and current mailing address;
    - b. A listing of all states in which the applicant is currently licensed; and
    - c. Marital status, at the applicant's discretion.
  2. ~~Other names practiced under by the applicant, highest degree held, employment status, principal field of employment, employer's name and city of operation, type of nursing position held, and major clinical or teaching area in nursing;~~
    - d. Demographical information, including but not limited to:
      - i. Educational background.

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- ii. Employment status, and
    - iii. Practice setting.
  - e. Responses to questions regarding the applicant's background on the following subjects:
    - i. Criminal convictions for offenses involving drugs or alcohol since the time of last renewal, and
    - ii. Felony convictions or convictions for undesignated offenses since the time of last renewal.
    - iii. Any act of unprofessional conduct as defined in A.R.S. § 32-1601 since the time of last renewal.
  - f. Detailed explanation and supporting documentation for each affirmative answer to questions regarding the applicant's background.
2. Pay the applicable fees for renewal.
3. Pay an additional fee for late renewal if:
- a. The renewal date is before July 1, 2002 and the application for renewal is submitted after expiration of the license; or
  - b. The renewal date is on or after July 1, 2002, and the application for renewal is submitted after August 1 of the year of renewal.
3. ~~Whether any disciplinary action, consent order, or settlement agreement is pending or has been imposed on applicant's license in any state or jurisdiction since last license renewal, and an explanation of the circumstances surrounding the matter if such occurred;~~
4. ~~Whether the applicant has ever been arrested, pled guilty to or been convicted of a felony, misdemeanor, or undesignated offense, and an explanation of the circumstances surrounding the matter if such has occurred;~~
5. ~~Whether the applicant has ever been arrested for a traffic-related violation resulting in a fine of \$150.00 or greater, and an explanation of the circumstances surrounding the matter if such has occurred; and~~
6. ~~Whether the applicant has ever been named in a civil/malpractice case relating to employment as a nurse, and an explanation of the circumstances surrounding the matter if such has occurred;~~
- B.** A license renewed prior to July 1, 2000 is valid for 2 years and expires on the expiration date indicated on the license issued by the Board.
- C.** A license renewed after July 1, 2000 expires November 2 of the year of renewal indicated on the license.
- B.** ~~A licensee who submits a renewal application with the correct fee to the Board after the expiration of the license be assessed a penalty in accordance with A.R.S. § 32-1643(A)(5).~~
- C.** ~~A licensee born in an even-numbered year shall renew a license in an even-numbered year. A licensee born in an odd-numbered year shall renew a license in an odd-numbered year.~~
- D.** A licensee whose license has been inactive or expired for 5 or more years shall submit proof of 1 of the following with the renewal application, evidence of competency in nursing which shall include:
- 1. Employment as a professional nurse or licensed practical nurse in another state or foreign country within the previous 5-year period, or
  - 2. Satisfactory completion of a Board-approved reentry-update refresher program which that includes both theory and supervised clinical practice within the past year; or
  - 3. ~~Satisfactory completion of a minimum of 30 contact hours of continuing education activities in nursing during the past 2 years.~~
- E.** A licensee who fails to ~~apply for~~ submit a renewal license application before expiration of a ~~valid~~ license shall not practice nursing until the Board issues a renewal license ~~is issued~~.
- F.** The Board shall grant an application for renewal of a professional or practical nursing license to any applicant who meets the criteria established in statute and this Section. An applicant who is denied renewal of licensure may request a hearing by filing a written request with the Board within 30 days of service of the Board's order denying the renewal application. Hearings shall be conducted in accordance with A.R.S. Title 41, Chapter 6, Article 10.

**R4-19-305. Inactive or Expired License**

- A.** A licensee in good standing may request transfer to inactive status, in writing to the Board, or by ~~indicating~~ requesting transfer to inactive status on a ~~license~~ renewal application. The licensee shall submit the ~~statutorily mandated~~ applicable fees with ~~such the~~ request or application.
- B.** The Board shall send a written notice to the licensee ~~confirming~~ granting inactive status in writing or denying the request. A licensee denied a request for transfer to inactive status may request a hearing by filing a written request with the Board within 30 days of service of the denial of the request. If denied, the licensee shall have 10 days from the date of receipt of the notice to file a request for hearing with the Board, appealing the denial. Hearings shall be conducted in accordance with A.R.S. Title 41, Chapter 6, Article 6 10.

**R4-19-306. Application for a Duplicate License**

- A.** A licensee shall report ~~to the Board, in writing,~~ a lost or stolen license to the Board, in writing, within ~~5 business~~ 30 days of the loss.
- B.** A licensee desiring a duplicate license shall file ~~a renewal~~ an application for a duplicate license and pay the applicable fee ~~a notarized statement explaining and verifying the loss or theft of the license.~~

~~C.~~ A licensee shall cooperate fully with any Board investigation or in testifying concerning any loss of a license.

**R4-19-307. Change of Name or Address**

A. A licensee shall notify the Board, in writing, of any legal change in name within 30 days, ~~when the name of the licensee has been legally changed and submit a~~ copy of the official document verifying evidencing the name change shall also be submitted.

B. A licensee shall notify the Board of any change in mailing address within 30 days ~~of any address change.~~

**R4-19-308. School Nurse Certification Requirements**

~~A.~~ Scope and applicability.

- ~~1. This Section establishes the requirements for school nurse certification.~~
- ~~2. This Section applies to all professional nurses seeking initial and renewal of school nurse certification.~~
- ~~3. School nurse certifications issued by the Department of Education are valid and remain valid until expiration. Upon expiration of a Department of Education certificate, a professional nurse who wishes to maintain school nurse certification shall seek initial certification under this Section.~~

~~BA.~~ Application requirements. An applicant for initial school nurse certification shall:

1. Hold a current license in good standing to practice as a professional nurse in Arizona, and;
2. Submit to the Board a verified application on a form furnished by the Board that provides the following information about the applicant:
  - a. ~~The applicant's full~~ Full name and any former names used by the applicant;
  - b. ~~The applicant's current mailing~~ Mailing address and ~~telephone~~ phone number;
  - c. ~~The applicant's professional~~ Professional nurse license number;
  - d. ~~The applicant's social~~ Social security number;
  - e. A description of the applicant's educational background, including the number and location of schools attended, the number of years attended, the date of graduation, the type of degree or certificate awarded, and if applicable, a statement that the applicant has satisfied the educational requirements specified in subsection (D);
  - f. ~~The applicant's current~~ Current employer, including address, telephone number, ~~type of position~~ type, and dates of employment, and previous employer if the current employment is less than 12 months;
  - g. ~~Whether the applicant has taken and passed a national certification examination, the~~ The name of any national certifying organization, specialty area, certification number, and date of certification, if applicable;
  - h. ~~Whether the applicant has ever had a nursing license denied, suspended, or revoked, and an explanation of the license denial, suspension or revocation, if any;~~
  - i. ~~Whether a disciplinary action, consent order, or settlement agreement has been imposed on the applicant, and an explanation of the disciplinary action, consent order, or settlement agreement, if any;~~
  - j. ~~Whether the applicant has ever been convicted of a felony, and the date of absolute discharge of the sentence for all felony convictions, if applicable; and~~
  - h. Responses to questions regarding the applicant's background on the following subjects:
    - i. Pending disciplinary action or investigation in another state.
    - ii. Felony conviction or conviction of an undesignated offense.
    - iii. Any act of unprofessional conduct as defined in A.R.S. § 32-1601.
  - i. Detailed explanation and supporting documentation for each affirmative answer to questions regarding the applicant's background.
  - k. ~~A sworn statement under oath by the applicant verifying the truthfulness of the information provided by the applicant.~~
3. Pay the applicable fees.

~~CB.~~ Certification and renewal terms.

1. Initial certification and 1st renewal of certification ~~shall be~~ is valid for 3 years.
2. Subsequent renewals of certification ~~shall be~~ are valid for 6 years.
3. An applicant holding a school nurse certificate issued by the Department of Education or by another state shall provide proof of completion of the educational requirements of subsection ~~(D)(C)(1), (D)(C)(2), or (D)(C)(3)~~ for the certification or renewal period applicable to the applicant.

~~DC.~~ Educational requirements.

1. ~~Prior to~~ Upon application for the 1st renewal of certification, a professional nurse shall provide proof of completion of all of the following educational requirements:
  - a. Three semester hours in school nurse practice course work,
  - b. Three semester hours in physical assessment of the school-aged child course work, and
  - c. Three semester hours in nursing care of the child with developmental disabilities.
2. ~~Prior to~~ Upon application for 2nd renewal of certification, a professional nurse shall provide proof of ~~completion of 1 of the following; all of the following educational requirements:~~
  - a. Three semester hours in community health;

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- b. Three semester hours in management concepts; and
  - e. Three semester hours of upper division course work in any of the following: counseling, health promotion, nutrition, legal-ethical or interpersonal communication, and group process.
  - a. A bachelor of science degree in nursing, or
  - b. Completion of the following educational requirements:
    - i. Three semester hours in community health theory;
    - ii. Three semester hours in management theory; and
    - iii. Either 3 semester hours of upper division or graduate credit in nursing or health-related subjects from a regionally-accredited institution, as defined in R4-19-101(23), or 45 hours of continuing education related to nursing practice.
3. ~~Prior to~~ Before all subsequent applications for renewal of certification, a professional nurse shall provide proof of completion of 1 of the following educational requirements:
- a. Six semester hours of upper division or graduate credit in nursing or health related subjects from a regionally accredited institution, as defined in R4-19-101(23); or
  - b. Ninety contact hours of continuing education related to nursing practice.
4. Notwithstanding subsections ~~(C)~~ (B)(3) and ~~(D)~~ (C)(1), a professional nurse who is or has been certified as a school nurse by the Department of Education, is applying for initial certification, 1st renewal of certification, or subsequent renewal of certification by the Board as a school nurse, and:
- a. ~~Professional nurses applying for initial certification or 1st renewal of certification through the Board, who have completed the educational requirements in (D)(1), shall provide proof of completion of the educational requirements in (D)(1) and (D)(2); and~~
  - b. ~~Professional nurses are applying for initial certification, for 1st renewal, or subsequent renewals of certification through the Board, who have completed the educational requirements in (D)(2), shall provide proof of completion of the educational requirements of (D)(3).~~
  - a. has completed the educational requirements in (C)(1), shall provide proof of completion of the educational requirements in (C)(2); or
  - b. has completed the educational requirements in (C)(2), shall provide proof of completion of the educational requirements of (C)(3).
- D.** The Board shall grant school nurse certification to any applicant who meets the criteria established in statute and this Section. An applicant who is denied school nurse certification may request a hearing by filing a written request with the Board within 30 days of service of the Board's order denying the application. Hearings shall be conducted in accordance with A.R.S. Title 41, Chapter 6, Article 10.

NOTICE OF FINAL RULEMAKING

TITLE 12. NATURAL RESOURCES

CHAPTER 7. OIL AND GAS CONSERVATION COMMISSION

PREAMBLE

- | <u>1. Sections Affected</u> | <u>Rulemaking Action</u> |
|-----------------------------|--------------------------|
| R12-7-101                   | Amend                    |
| R12-7-121                   | Amend                    |
| R12-7-125                   | Amend                    |
- 2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**
- Authorizing statutes: A.R.S. §§ 27-516(A) and 27-656
- Implementing statutes: A.R.S. §§ 27-516(A)(1) and (2), 27-652(A), and 27-661
- 3. The effective date of the rules:**
- December 7, 2000
- 4. A list of all previous notices concerning the rules:**
- Notice of Rulemaking Docket Opening: 6 A.A.R. 2128, June 9, 2000
- Notice of Proposed Rulemaking: 6 A.A.R. 2833, August 4, 2000



**5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: Steven L. Rauzi, Oil & Gas Administrator

Address: Arizona Geological Survey  
416 West Congress, Suite 100  
Tucson, Arizona 85701-1315

Telephone: (520) 770-3500

Fax: (520) 770-3505

**6. An explanation of the rule, including the agency's reasons for initiating the rule:**

R12-7-101 lists definitions used in the rules. R12-7-121 specifies completion and reporting requirements for wells. R12-7-125 specifies requirements for temporarily abandoned and shut-in wells. These rules were amended to conform with a recent change in statute that extended the confidential period for well records from 6 months to 1 year, add a new shut-in status to distinguish between inactive wells that are capable of production (shut-in) from those that are not (temporarily abandoned), and improve clarity and understandability.

**7. A reference to any study that the agency relied on in its evaluation of or justification for the rule and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material:**

None

**8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable

**9. The summary of the economic, small business, and consumer impact:**

These rules directly impact companies drilling for oil, gas, and geothermal resources. The rules are mostly procedural in nature and will not significantly impact the economy or have a significant impact upon small businesses or consumers. The proposed rulemaking does not significantly increase or decrease the costs of compliance. The longer confidential period, new shut-in status, and resulting clarity and understandability of the rules should have a positive impact on small businesses. No private persons or consumers are directly affected by the proposed rulemaking.

**10. A description of the changes between the proposed rules, including supplemental notices, and the final rules (if applicable):**

Changes were made at the suggestion of the Governor's Regulatory Review Council staff to improve the clarity, conciseness, and understandability of the rules.

**11. A summary of the principal comments and the agency response to them:**

No written comments were received. Two individuals from the regulated community voiced support of the proposed rules at the September 15, 2000, oral proceeding to adopt the rules.

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

Not applicable

**13. Incorporation by reference and their location in the rules:**

None

**14. Was this rule previously adopted as an emergency rule?**

No

**15. The full text of the rules follows:**

**TITLE 12. NATURAL RESOURCES**

**CHAPTER 7. OIL AND GAS CONSERVATION COMMISSION**

**ARTICLE 1. OIL, GAS, HELIUM, AND GEOTHERMAL RESOURCES**

R12-7-101. Definitions

R12-7-121. Well Completion and Filing Requirements

R12-7-125. ~~Temporary Abandonment~~ Temporarily Abandoned and Shut-in Wells

**ARTICLE 1. OIL, GAS, HELIUM, AND GEOTHERMAL RESOURCES**

**R12-7-101. Definitions**

In this chapter Chapter, unless the context otherwise requires:

4. "API" means American Petroleum Institute.

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2. "Barrel" means 42 (US) gallons measured at 60° F. and atmospheric pressure at sea level.
3. "BTU" means British thermal unit and represents the quantity of heat required to raise the temperature of 1 pound of water 1° F. at or near 39.2° F.
4. ~~"Commission" means the State Oil and Gas Conservation Commission or any person lawfully empowered to act on its behalf.~~
5. "Condensate" means ~~the~~ liquid hydrocarbons recovered at the earth's surface ~~that as a result from of~~ condensation due to reduced pressure or temperature of petroleum hydrocarbons ~~existing initially that exist~~ in a gaseous phase in the subsurface reservoir rocks.
6. "Cubic foot of gas" means the volume of gas contained in 1 cubic foot of space at a standard pressure base of 14.73 pounds per square inch absolute and a standard temperature base of 60° F.
7. "Gas well" means ~~any~~ a well ~~which that~~ produces with a gas-oil ratio in excess of 50,000 cubic feet of gas per barrel of oil.
8. "Injection well" means ~~any~~ a well used ~~for the injection of~~ to inject air, gas, water, or ~~any~~ other substance into ~~any~~ an underground stratum.
9. "Mcf" means 1000 cubic feet of gas reported at a pressure base of 14.73 pounds per square inch absolute and a standard temperature base of 60° F.
10. "Oil well" means ~~any~~ a well ~~which that~~ produces with a gas-oil ratio less than 50,000 cubic feet of gas per barrel of oil.
11. "Operator" means any person authorized by an owner ~~or owners, who controls~~ to control the day-to-day activities of a well or production or refining facility.  
"Shut-in well" means a well that is capable of production in paying quantities, is completed as a producing well, and is not presently being operated.
12. "Stratigraphic test or core hole test" means ~~any drilling a hole drilled~~ for the sole purpose of obtaining geological information.  
"Temporarily abandoned well" means a well that is not capable of production in paying quantities and is not presently being operated.

**R12-7-121. Well Completion and Filing Requirements**

~~A.~~ For the purpose of this rule only, a well shall be determined to be completed when it is capable of production, has been temporarily abandoned as provided for in R12-7-125, or has been plugged and abandoned as provided for in R12-7-126 and R12-7-127.

~~A.B.~~An The operator shall file a completion report with the Commission within 30 days after ~~the completion of~~ a well is completed. The completion report shall contain a description of the well and lease, the casing ~~record~~, the tubing ~~record~~, the liner ~~record~~, the perforation ~~record~~, the stimulation, and cement squeeze records, and data on the initial production. The operator shall submit other well data to the Commission within 30 days of the date the work is done, including any:

1. Lithologic, mud, or wireline log;
2. Directional survey;
3. Core description and analysis;
4. Stratigraphic or faunal determination;
5. Formation or drill-stem test;
6. Formation fluid analysis; or
7. Other similar information or survey.

Other well data, including all logs, tests, and surveys shall be filed with the completion report or within 30 days after the completion of the well.

~~B.C.~~An The operator shall furnish samples of all ~~cores and drilled~~ cuttings, at a maximum interval of 10 feet, to the Commission within 30 days ~~of after drilling is completed~~. The operator may furnish samples of continuous core in chips at 1-foot intervals, removing the drilling rig from the hole. All samples for the Commission shall be handled as follows: The operator shall:

1. All Wash and dry all samples; ~~shall be washed and dried.~~
2. Approximately For each sample, place approximately 3 tablespoons of each the sample shall be placed in an envelope showing the identification of with the following identifying information: the well from which the sample originated originates, the location of the well, the Commission's permit number for the well, and the depth at which the sample is taken; and at which the sample was taken.
3. Samples shall be packaged in Package sample envelopes in protective boxes and ship for protection and shall be shipped prepaid to:

Oil and Gas ~~Program~~ Administrator  
Arizona Geological Survey  
416 West Congress, Suite 100  
Tucson, AZ 85701

4. Core samples may be furnished in chips and packed and shipped as specified in paragraphs (2) and (3).

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~~C.D.~~ Upon written request by the operator, the The Commission shall keep any all well information required by in this Section confidential for a period 1 year after the drilling is completed unless the operator gives written permission to release the information at an earlier date. The Commission shall provide notice to the operator 60 days before confidential records become subject to public inspection and, at the operator's request, extend the confidential period for 6 months to 2 years if the Commission finds that the operator has demonstrated that release would harm the operator's competitive position with respect to unleased land in the vicinity of the well. not to exceed 6 months from the completion date of a stratigraphic or exploratory hole and for a period not to exceed 2 years from the completion date of a geothermal resources well.

**R12-7-125. Temporary Abandonment Temporarily Abandoned and Shut-in Wells**

A. ~~When If drilling, injection, or production operations at a well are suspended, or have been suspended for 60 days, an operator the well shall plug the well under be plugged and abandoned as required in R12-7-126 and R12-7-127 unless the Commission permits the well to be temporarily abandoned or shut-in. The Commission shall not classify a well as shut-in until the operator submits a completion report under R12-7-121. unless the operator obtains written permission for temporary abandonment from the Commission. On drilling wells, the drilling rig shall not be removed from the hole until written permission for temporary abandonment is obtained from the Commission. Permission granted shall be for a period not to exceed 1 year. One year extensions may be granted.~~

B. ~~When requesting temporary abandonment, the operator shall file with the Commission a description of the mechanical condition of the well and a current corrosion, caliper, or cement bond log. The Commission shall not approve temporary abandonment or an extension unless the operator can show that the mechanical condition of the well will prevent damage to the producing zone, prevent contamination of fresh waters or other natural resources, and prevent leakage of any substance at the surface. The Commission may require a mechanical integrity test of the casing before approving or extending temporary abandonment.~~

An operator may temporarily abandon or shut-in a well for up to 5 years if the operator demonstrates to a quorum of the Commission a future beneficial use of the well and submits a Sundry Notice to the Commission containing the following information:

1. Evidence of casing integrity as required in R12-7-112 including a complete description of the current casing, cementing, and perforation record of the well;
2. The stimulation and cement squeeze record and complete data on the results of any well tests performed to date; and
3. All other well data required in R12-7-121(A).

C. ~~Upon expiration of the period of temporary abandonment or an extension, the well shall be plugged and abandoned, unless the operator can demonstrate to the Commission why the well should not be plugged and abandoned, and a further extension issued.~~

Before an approved time frame for a temporarily abandoned or shut-in well expires, the operator shall return the well to beneficial use under a plan approved by the Commission, permanently plug and abandon the well, or apply for an extension to temporarily abandon or shut-in the well. If the integrity of the well casing is in question, the Commission may require the operator to:

1. Prove casing integrity in accordance with R12-7-112;
2. Plug any well that fails to meet the casing integrity required by R12-7-112; and
3. Re-test the well in accordance with R12-7-150 to continue shut-in status.

D. ~~Before reentering any temporarily abandoned well, the operator shall give the Commission at least 10 days' written notice detailing the proposed activity.~~

An operator shall ensure that no work begins on a temporarily abandoned or shut-in well until approved by the Commission. The operator shall give at least 24 hours' notice to the Commission before any work begins. Within 15 days of completing the proposed work, the operator shall file a written report with the Commission fully describing the work performed including a copy of all test rates, pressures, and fluid analyses.

**NOTICE OF FINAL RULEMAKING**

**TITLE 17. TRANSPORTATION**

**CHAPTER 4. DEPARTMENT OF TRANSPORTATION - MOTOR VEHICLE DIVISION**

**PREAMBLE**

**1. Sections Affected**

R17-4-237  
R17-4-238  
R17-4-239  
R17-4-241  
R17-4-243

**Rulemaking Action**

Repeal  
Repeal  
Repeal  
Amend  
Repeal

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**2. The specific authority for the rulemaking, including both the authorizing statute (general) and the statutes the rules are implementing (specific):**

Authorizing statute: A.R.S. § 28-366

Implementing statute: A.R.S. § 28-4409

**3. The effective date of the rules:**

December 7, 2000

**4. A list of all previous notices appearing in the Register addressing the final rule:**

Notice of Rulemaking Docket Opening: 6 A.A.R. 2963, August 11, 2000

Notice of Proposed Rulemaking: 6 A.A.R. 3252, September 1, 2000

**5. The name and address of agency personnel with whom persons may communicate regarding the rulemaking:**

Name: George R. Pavia, Department Rules Supervisor

Address: Arizona Department of Transportation  
Administrative Rules Unit, Mail Drop 507M  
3737 North Seventh Street, Suite 160  
Phoenix, Arizona 85014-5017

Telephone: (602) 712-8446

Fax: (602) 241-1624

E-Mail: gpavia@dot.state.az.us

**6. An explanation of the rule, including the agency's reasons for initiating the rule:**

This rulemaking arises from agency action promised in a 5-year review (F-98-0401) approved by the Governor's Regulatory Review Council on May 5, 1998. The Division undertakes to repeal 4 rules as duplicative of sufficiently regulatory implementing statutes. One rule, R17-4-241, is amended to eliminate duplicative statutory requirements and otherwise simplify a single remaining provision regulating dealer vehicle title requirement.

**7. A reference to any study that the agency relied on its evaluation or justification for the rule, and where the public may obtain or review the study, all data underlying each study, any analysis of the study and other supporting material:**

None

**8. A showing of good cause why the rule is necessary to promote a statewide interest if the rule will diminish a previous grant of authority of a political subdivision of this state:**

Not applicable

**9. The summary of the economic, small business, and consumer impact:**

For the repeal of R17-4-237, 238, 239, and 243, the Division is exempt under A.R.S. § 41-1055 (D). The program determined implementing statutes alone are sufficiently regulatory of existing rule provisions. Repeal eliminates duplicative regulation and possible authority confusion for the state's motoring public and business entities.

For R17-4-241, requiring title certificates for vehicle sales benefits the consumer by ensuring legal title transfer to the purchaser and averting cost in time and inconvenience for filing a complaint, undergoing investigation and ownership hearing. ADOT's hearing, records, and investigation subdivisions experience a benefit in conducting fewer hearings or investigations on ownership disputes (not readily quantifiable). Entities that do not comply with the dealer valid titling requirement could bear substantial costs in lost sales revenue or outstanding liens. The banking industry could benefit moderately to substantially in the assurance of paid liens at the time of vehicle sale and transfer.

**10. A description of the changes between the proposed rules, including supplemental notices, and final rules (if applicable):**

The single remaining provision of R17-4-241 was revised for purpose of clarity upon recommendation by GRRC staff. The revision was a non-substantial edit relating to sentence structure and word choice.

**11. A summary of the principal comments and the agency response to them:**

None

**12. Any other matters prescribed by statute that are applicable to the specific agency or to any specific rule or class of rules:**

Not applicable

**13. Incorporations by reference and their location in the rules:**

None

**14. Was this rule previously adopted as an emergency rule?**

No

**15. The full text of the rules follows:**

**TITLE 17. TRANSPORTATION**

**CHAPTER 4. DEPARTMENT OF TRANSPORTATION - MOTOR VEHICLE DIVISION**

**ARTICLE 2. TITLES & REGISTRATION**

- R17-4-237. ~~Manufacturer's statements of origin—assignment on transfer by licensed dealers~~ Repealed  
R17-4-238. ~~New vehicle dealer's evidence of franchise~~ Repealed  
R17-4-239. ~~Dealer plate display~~ Repealed  
R17-4-241. ~~Vehicle title—requirements of possession by dealers~~ Dealer Title Requirement for Vehicle Sale  
R17-4-243. ~~Dealer's place of business requirements~~ Repealed

**ARTICLE 2. TITLES & REGISTRATION**

**~~R17-4-237. Manufacturer's statements of origin—assignment on transfer by licensed dealers~~ Repealed**

**A.** Section 66-1101, A.C.A. 1939, gives the following definitions:

1. "New motor vehicle dealer" shall mean any person who buys, sells, or exchanges, or offers or attempts to negotiate a sale or exchange of any interest in, or who is engaged in the business of selling, new motor vehicles or used motor vehicles taken in trade on new motor vehicles;
2. "Used motor vehicle dealer" shall mean any person, other than a new motor vehicle dealer who buys, sells, or exchanges, or offers or attempts to negotiate a sale or exchange of any interest in, or who is engaged in the business of selling, used motor vehicles;
3. "Motor vehicle dealer" shall mean any new motor vehicle dealer or any used motor vehicle dealer.

**B.** Section 66-1102 states, "No motor vehicle dealer, motor dealer or wrecker shall engage in business except in accordance with the requirements of law".

**C.** Section 66-1104 reads in part, "No person shall engage in the business of a motor vehicle dealer, motor dealer or wrecker except from an established place of business and without first having obtained from the vehicle superintendent a license authorizing him to engage in such business. Application for license shall be made to the vehicle superintendent in writing, upon forms to be prescribed and furnished by the vehicle superintendent, shall be verified and shall contain:

1. "The name and residence of the applicant;
2. "The principal place of business of the applicant;
3. "The established place of business at or from which such business is to be conducted;
4. "The make or makes of new motor vehicles, if any, which applicant will sell or offer for sale within this state;
5. "Such other information as the vehicle superintendent shall require".

**D.** Section 66-1103, A.C.A. 1939, reads in part, "The vehicle superintendent is vested with the power and authority, and it shall be his duty, to supervise and regulate all motor vehicle dealers... and to prescribe such rules as he may determine necessary for the purpose of carrying out the provisions of this act".

**E.** The superintendent lacks jurisdiction to regulate or supervise dealers other than those within the state of Arizona; it follows that the term dealer as used in this Act refers only to a dealer licensed by the superintendent.

**F.** Section 66-205 provides, "The application for a certificate of title to a new vehicle shall be accompanied by a certificate from the manufacturer showing the date of sale to the dealer or person first receiving same from the manufacturer... and shall certify that the vehicle when so sold was a new vehicle. If sold through a dealer, such dealer shall certify that the vehicle when sold to the applicant was new".

**G.** To give full effect to the provisions of the above quoted statutes, it is ordered that when an application for an Arizona certificate of title is supported by a manufacturer's certificate of origin, the application shall be handled as follows:

1. When the manufacturer's certificate shows transfer of the vehicle by the manufacturer to a person (Section 66-205), the Division will issue a certificate of title to such person named in the manufacturer's certificate.
2. Manufacturers' certificates, the basis for the title to a new car, will be accepted only when issued a dealer duly licensed and registered under the laws of Arizona.
3. When the manufacturer's certificate shows transfer of the vehicle by the manufacturer to a dealer (Section 66-205), the Division will issue certificate of title only upon assignment to the applicant of the manufacturer's certificate by a licensed Arizona New Motor Vehicle Dealer authorized to sell the make of vehicle for which application for title is being made.

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**R17-4-238. New vehicle dealer's evidence of franchise Repealed**

- A.** Section 66-222, A.C.A. 1939, provides, "Any manufacturer or licensed dealer may make application to the division, upon a form provided for such purpose, for a dealer's certificate containing a general distinguishing number, and for 1 or more pairs of special plates or single special plates appropriate to various types of vehicles. The applicant, at the time of making such application shall, if a manufacturer, submit such proof of his status as a bona fide manufacturer as may reasonably be required by the division, and if a dealer in new motor vehicles, trailers or semitrailers, shall submit satisfactory proof that he is a duly authorized distributor or dealer for a manufacturer".
- B.** Section 66-201, A.C.A. 1939, states "The superintendent shall prescribe rules and regulations for carrying out the provisions of this act . . .".
- C.** Section 66-1104, A.C.A. 1939, dealing with applications for motor vehicle dealers' licenses, provides that the application shall contain "The make or makes of new motor vehicles, if any, which applicant will sell or offer for sale within this state; such other information as the vehicle superintendent shall require".
- D.** It is ordered that applicants for a license as a new motor vehicle dealer shall submit satisfactory proof that he is a duly authorized distributor or dealer for a manufacturer of the make of vehicles which his application states he will sell or offer for sale.

**R17-4-239. Dealer plate display Repealed**

- A.** A.R.S. § 28-1311, subsections (A), (B), and (C), provides, "A manufacturer or dealer owning a vehicle of a type otherwise required to be registered may operate the vehicle without registering it, if there is displayed upon the vehicle in the manner prescribed in A.R.S. § 28-309, a special plate or plates issued to the owner as provided in this Article. This provision shall not apply to work or service vehicles owned by a manufacturer or licensed dealer."
1. "A manufacturer or licensed dealer may make application to the vehicle division, upon a form provided for such purpose, for a dealer's certificate containing a general distinguishing number, and for 1 or more pairs of special plates or single special plates appropriate to various types of vehicles."
2. "The vehicle division, upon granting the application, shall issue to the applicant a certificate containing applicant's name and address and the general distinguishing number assigned to him, and shall also issue special plates as applied for. Every plate or pair of plates so issued shall contain a number or symbol distinguishing them from every other plate or pair of plates issued to the same manufacturer or dealer. The right to use a special plate issued for any calendar year shall terminate at midnight on December 31 of each year."
- B.** A.R.S. § 28-310 provides "When, in the discretion of the superintendent, conditions and circumstances are such as to necessitate and warrant, the vehicle division may furnish 1 number plate in lieu of the 2 number plates required in A.R.S. § 28-308. The vehicle division may issue 1 or more tabs or windshield stickers to indicate the year for which a plate is issued and may make appropriate rules and regulations for the use and display of such tabs or stickers or 1 plate."
- C.** In the discretion of the Superintendent, conditions and circumstances in connection with the enforcement of the proper use of manufacturer or dealer plates are such as to necessitate and warrant the use of 1 number plate in lieu of the plates provided for in A.R.S. § 28-1311.
- D.** The attachment in the rear of a vehicle of 1 manufacturer's plate or 1 dealer's plate in the manner provided for in A.R.S. § 28-309 shall apply to the use of manufacturers' and dealers' number plates as provided for in A.R.S. § 28-1311.

**R17-4-241. Vehicle title—requirements of possession by dealers Dealer Title Requirement for Used Vehicle Sale**

- A.** For the purpose of determining when a dealer has in his possession a duly and regularly assigned certificate of title to a motor vehicle, the name of the dealer shall appear on the certificate as transferee or purchaser at the time of taking an assignment of a title to a motor vehicle.
- B.** No dealer or manufacturer shall offer for sale or sell a motor vehicle unless and until he has in his possession a duly assigned certificate of title listing the dealer as purchaser or transferee, except that a certificate of title shall not be required for a new motor vehicle sold by manufacturers to dealers.

For purposes of A.R.S. § 28-4409(A), the dealer's name shall be recorded on a title certificate as transferee or purchaser.

**R17-4-243. Dealer's place of business requirements Repealed**

A dealer may not engage in the business of selling motor vehicles, either new or used, unless or until the dealer maintains an office where his records shall be available for inspection by the superintendent or his authorized agent, and also a place, such as a lot, parking place or premises of similar make-up and description, at or upon which these motor vehicles shall be displayed and available for inspection, and from which these motor vehicles will be sold. These required premises may be either rented, leased or owned in fee but must have sufficient space to display 2 or more motor vehicles of a kind and type which the dealer is licensed to sell and must be devoted principally to the use of a motor vehicle dealer in the conduct of the business of the dealer.